(b) The authorities do not try to manage or control movement of stock indices. They have put in place systems and practices to promote a safe, transparent and efficient market and to protect market integrity. The systems instituted include advanced risk management mechanisms comprising on-line monitoring and surveillance, various limits on positions, margin requirements, circuit filters, etc. The systems and practices are reviewed continuously and modified to meet emerging needs. Measures taken to broaden and deepen markets include: screen based trading system, dematerialization of securities, corporatization and demutualization of exchanges, settlement through clearing corporation, trading of derivatives, etc.

Incentives for better performing states

1174. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

whether Centre grants incentives to the States meeting the performance parameters set out in the Eleventh Five Year Plan;

if so, the details of the funds earmarked for the scheme, distributed to performing States and remaining with Government as unutilised Incentive Fund;

whether on account of its performance, Karnataka is eligible for receipt of additional funds out of the un-utilised Incentive Fund; and

if so, the details thereof and Centres response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Centre has no specific schemes for grant of incentives to States for meeting the performance parameters set out in the Eleventh Five Year Plan.

(b) to (d) Does not arise

Recoverable amount of different taxes

1175. SHRIMATI BRINDAKARAT: Will the Minister of FINANCE be pleased to state:

the total amount recoverable on account of corporate tax, customs duty, income tax and central excise duty as on 31 March, 2006 and 31 March, 2007;

the total amount recovered so far; and

the disputed amount out of the recoverable arrears?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Total amount of arrears on account of Centra! Excise, Customs duty and Service Tax as on 31.3.2006 and 31.3.2007 are as under:

(Rs. in crore)

Tax Head	Arrears as on 31.03.2006	Arrears as on 31.3.2007
Central Excise	16092.57	18671.24
Customs	4850.55	6112.09
Service Tax	65031	1591.69
TOTAL	21593.43	26375.02

As far as direct taxes are concerned, the total demand outstanding on 31.03.2006 and 31.03.2007 is Rs. 92084 crore and Rs. 116453 crore respectively. However, out of the above demand only Rs. 6373 crore and Rs. 12539 crore is recoverable for 2005-06 and 2006-07 respectively.

(b) The total amount of arrears recovered so far is under:

(Rs. in crore)

Tax Head	Financial Year 2005-06	Financial Year 2006-07
Direct Taxes	24,453.00	31,593.00
Indirect Taxes	3,139.65	3,466.90

(c) The details of disputed amounts in respect of direct and indirect taxes are as under:

Tax Head	2005-06	2006-07
Direct Taxes	63,385.00	67,142.00
Indirect Taxes	16,62129	20,594.05

Asset Reconstruction Companies

1176. SHRI RAJEEV CHANDRA SEKHAR: Will the Minister of FINANCE be pleased to state:

whether it is a fact that the default retail debts amounting to hundreds of crores have been transferred by private/Government Banks to Asset Reconstruction Companies;

what is the actual total amount of retail assets gone bad transferred to Asset Reconstruction Companies;

who is responsible for overseeing Asset Reconstruction Companies and how do they recover these bad loans;

whether it is also a fact that these Asset Reconstruction Companies are in turn often selling these bad debts at huge discount; and

if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) Reserve Bank of India (RBI) has reported that till December 31,2007 default retail debts amounting to Rs. 36,235.56 Crore (Book value) have been transferred by the private/Government Banks/Financial Institutions (FIs) to six Asset Reconstruction Companies (ARCs) registered with RBI, at an acquisition price of Rs. 9,159.73 Crore.

(c) RBI is responsible for overseeing the operations of ARCs. These companies are granted the Certificate of Registration by RBI under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002).

RBI has prescribed detailed guidelines on sale of financial assets by banks/FIs to Securitisation Company (SC)/Reconstruction Company (RC) *vide* Circular dated April 23, 2003. These guidelines prescribed the following: